Labour Market Notes

Surprise jump in Alberta employment

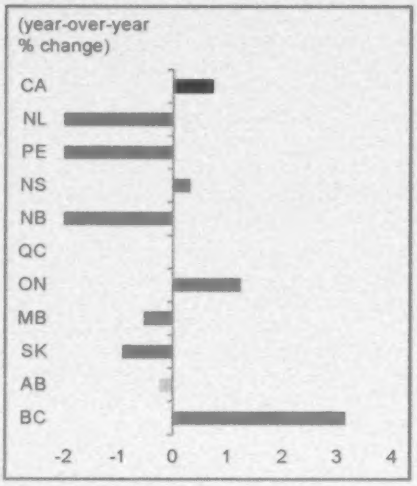
Alberta

- Large monthly increase. Alberta employment rose by a surprising 18,900 in March, the largest monthly jump in 2 years.
- Private sector gains for second month. The private sector gained 19,500 jobs in March, while self-employment was up by 3,700. The public sector (-4,300) lost jobs for a second straight month. Most gains were in full-time employment (+14,500), with part-time employment (+4,300) also rising.
- Trade industry responsible for gain. Service sector employment surged by 24,200 jobs, while the goods sector (-5,300) continued to lose jobs. The majority of gains were in retail and wholesale trade (+14,400), but finance, insurance and real estate (+7,600) and construction (+4,500) also added jobs. Manufacturing (-7,900) continued to lose jobs. Employment fell by 3,700 in both agriculture, and information, culture and recreation industries. Year-over-year (y/y), the goods sector lost 50,200 jobs, while the services sector gained 44,600.
- Unemployment rate settles lower. The monthly job gains pushed Alberta's unemployment rate down by 0.8 percentage points to 7.1%. The unemployment rate remains elevated, but is now on par with the national average again.
- Employment remains weaker than a year ago. Employment fell by 0.2% y/y in March, equivalent to 5,600 fewer jobs than a year ago. Over the first quarter of 2016, employment fell 0.9% compared with the first quarter of 2015.
- Earnings take a plunge in first month of 2016. Average Weekly Earnings (AWE) dropped 2.2% from the previous month to $1,121 in January. On a year-over-year basis, earnings were down 4.3%, the largest decline on record. Both service sector (-4.2% y/y) and goods sector (-1.6% y/y) earnings recorded declines. Employment declines in the high-pay mining, quarrying, oil and gas extraction industry also continued to put downward pressure on earnings.

Canada

- Canada adds jobs. Employment rose by 40,600 in March. Alberta led the provinces in gains, followed by Ontario (+13,900) and British Columbia (+3,000). Year-over-year, Canadian employment increased by 0.7% y/y, or 129,600.
- Unemployment rate drops. The Canadian unemployment rate fell 0.2 percentage points to 7.1% in March.
- Canadian earnings fall from December. Canadian average weekly earnings (AWE) fell 0.7% from the previous month to $953 in January. Most provinces posted monthly declines in AWE, with the largest from Newfoundland and Labrador. Year-over-year, Canadian earnings were down 0.4%, with the decline in Alberta earnings almost completely offsetting the increase in other provinces.

Employment Growth by Province, March 2016 vs. March 2015



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,296,400
month-over-month change	+18,900
year-over-year % change	-0.2%
Alberta Unemployment Rate (UR)	7.1%
Edmonton UR**	6.9%
Calgary UR**	8.6%
Participation Rate	72.9%
Average Weekly Earnings (AWE)	$1,120.86
year-over-year % change	-4.3%
Average Hourly Wage	$29.97
year-over-year % change	+4.7%
Job Vacancy Rate***	1.5%

Source: Statistics Canada

* All data is from the March 2016 Labour Force Survey, except AWE which is the January 2016 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for December 2015.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

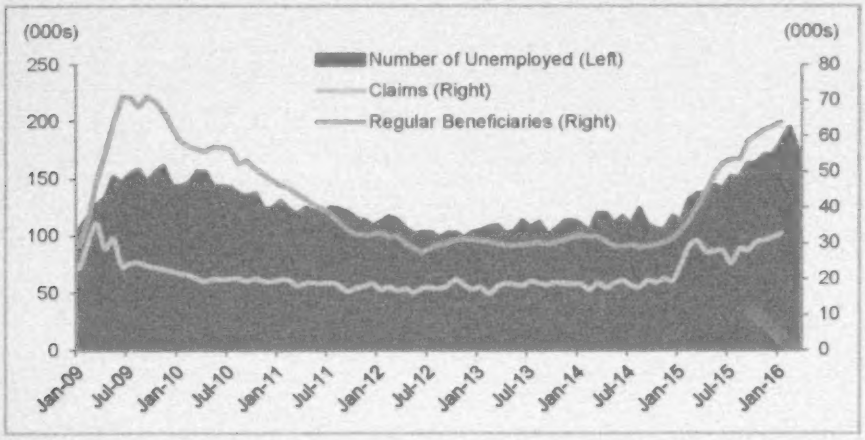
Employment Insurance beneficiaries elevated across Alberta

The decline in oil prices since mid-2014 caused a sharp pullback in investment and activity. A rising number of layoffs ensued, causing monthly Alberta Employment Insurance (EI) claims to surge at the end of 2014 and driving the number of regular EI beneficiaries (beneficiaries) up. Beneficiaries across Alberta have risen since August 2014, but areas more entwined with the oil industry grew faster.

Most laid-off workers are in Calgary and Edmonton

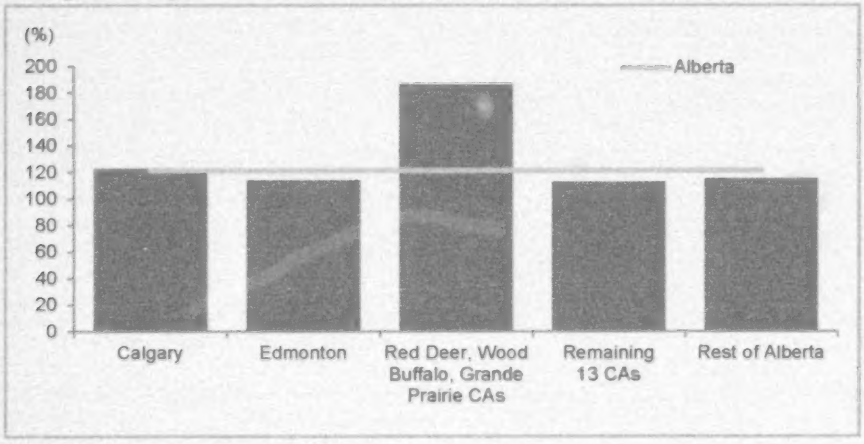
Alberta's weakening economy and labour market propelled Alberta EI claims up from 17,750 in August 2014 to 32,760 in January 2016, an 85% gain (Chart 1).

Chart 1: EI claims and beneficiaries rose with unemployment in Alberta
Alberta unemployment, and EI claims and regular beneficiaries



Source: Statistics Canada

Chart 2: EI beneficiaires in oil regions increased faster than rest of Alberta
Change in EI regular beneficiaries by areas in Alberta (between Aug-14 & Jan-16)



Source: Statistics Canada
* CAs is Census Agglomerations

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Regular EI beneficiaries, or laid-off workers, more than doubled to 63,770 in January 2016. Two-thirds of Alberta beneficiaries reside within the metropolitan areas of Calgary and Edmonton.

Prior to the economic downturn, Edmonton beneficiaries outnumbered those in Calgary, and the trend has continued. Both metro areas added roughly the same number of beneficiaries, with Calgary out-pacing Edmonton by only 320. In January 2016, Edmonton had 2.6 beneficiaries per 100 people in the labour force. This was higher than Calgary's ratio of 2.4.

Oil regions hit harder

The number of beneficiaries in smaller regions with stronger links to the energy industry rose faster than the large centers of Calgary and Edmonton (Chart 2). In the cities of Red Deer, Wood Buffalo and Grande Prairie, the number of beneficiaries nearly tripled to 5,100 between August 2014 and January 2016. This pushed the share of Alberta beneficiaries in these cities up by almost two percentage points, while the proportion of beneficiaries within Calgary and Edmonton declined from over 67% in 2014 to 66% by the beginning of 2016. The share of beneficiaries in areas outside of Alberta's cities also increased in 2015, but remained below the long-term average.

Summary

Alberta EI claims began rising towards the end of 2014, and remained elevated throughout 2015, corresponding to Alberta's weakening economy. This pushed Alberta EI regular beneficiaries in January 2016 to more than double the August 2014 level. Beneficiaries increased the most in areas highly exposed to the energy sector.

Contact

Erin Bartmanovich 780.427.8814